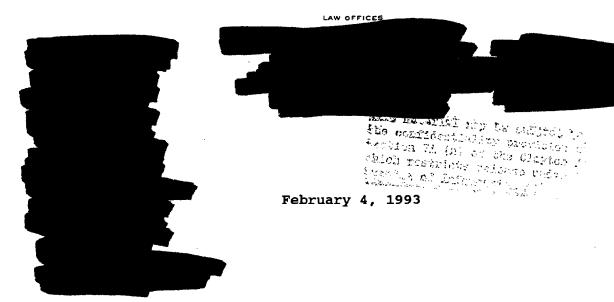
7A(c)(4)



187-70

Federal Trade Commission
Pre-Merger Office
Bureau of Competition
Sixth & Pennsylvania Avenue
Room 301, Northwest
Washington, D.C. 20580

Attention: Ms. Nancy Ovuka

Re: Exemption of California District
Hospitals from the Hart-Scott-Rodino
Pre-Merger Notification Requirements

Dear Ms. Ovuka:

This letter will confirm our recent telephone conversation concerning your response to our letter of January 14, 1993. In reply to our inquiries set forth in that letter, you stated as follows:

- 1. Our client,

  , is a "political supervision of the state of California and as such falls under the pre-merger notification "political subdivision" exemption of 15 U.S.C. § 18a(c)4.
- 2. The assets and income of and its controlled nonprofit subsidiary would not be pooled for purposes of the income and asset threshold of 15 U.S.C. § 18a(a)2B should the subsidiary acquire a hospital.



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3. Should acquire a hospital through its nonprofit subsidiary, the transaction would not qualify for the "political subdivision" exemption of 15 U.S.C. § 18a(c)4 because the acquiring subsidiary would not be considered a "political subdivision" of the State.

Thank you for your cooperation and assistance in this matter.

